COMPUTING ACCRUED INTEREST

I   In most instances, the amount of accrued interest on a loan can be
computed from the latest Form RD 451-26, "Transaction Record," or Form RD 451-
31, "Transaction Record - Direct Payment," as prescribed by the Forms Manual
Insert. However, for other times that accrued interest is needed it should be
accrued by use of a factor for the daily interest accrual on $1.00

     A   The following chart gives the daily interest accrual on $1.00 for
various interest rates

Interest Rate	Daily Interest Rate	Interest Rate	Daily Interest Rate
1%	$.000027	5%	.000137
1-1/8%	.000031	5-1/8%	.000140
1-1/4%	.000034	5-1/4%	.000144
1-3/8%	.000038	5-3/8%	.000147
1-1/2%	.000041	5-1/2%	.000151
1-5/8%	.000045	5-5/8%	.000154
1-3/1%	.000018	5-3/4%	.000158
1-7/8%	.000051	5-7/8%	.000161
2%	.000055	6%	.000164
2-1/8%	.000058	6-1/8%	.000168
2-1/4%	.000062	6-1/4%	.000171
2-3/8%	.000065	6-3/8%	.000175
2-1/2%	.000068	6-1/2%	.000178
2-5/8%	.000072	6-5/8%	.000182
2-3/5%	.000075	6-3/4%	.000185
2-7/8%	.000079	6-7/8%	.000188
3%	.000082	7%	.000192
3-1/8%	.000086	7-1/8%	.000195
3-1/4%	.000089	7-1/4%	.000199
3-3/8%	.000092	7-3/8%	.000202
3-1/2#	.000096	7-1/2%	.000205

Interest Rate	Daily Interest Rate	Interest Rate	Daily Interest Rate
3-5/8%	$.000099	7-5/8%	.000209
3-3/4%	.000103	7-3/1%	.000212
3-7/8%	.000106	7-7/8%	.000216
4%	.000110	8%	.000219
4-1/8%	.000113	8-1/8%	.000223
4-1/4%	.000116	8-1/4%	.000226
4-3/8%	.000120	8-3/8%	.000229
4-1/2%	.000123	8-1/2%	.000233
4-5/8%	.000127	8-5/8%	.000236
4-3/4%	.000130	8-3/4%	.000240
4-7/8%	.000134	8-7/8%	.000243
		9%	.000247

     B   The accrued interest on a given amount can be determined by use of the following formula:

> Unpaid Principal times Daily Interest Accrual times number of days on which interest is to accrue. To determine the number of days between any two dates see Exhibit G of RD Instruction 440.1.

Example: The Unpaid Principal is $5,000.00: the interest rate is 5-7/8%; and the interest which will accrue between February 1, 1971 and June 30, 1971 is needed.

Solution: $5,000.00 times $.000161 times 149 days = $119.95

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